

From: Jocelyn.Boyd
Sent: Thursday, January 30, 2014 11:05 AM
To: Daphne.Duke
Cc: charles.terreni@terrenilaw.com; selliott@elliottlaw.us; John M. S. Hoefer (jhoefer@willoughbyhoefer.com)
Subject: FW: Utilities Inc. / Tega Cay

From: Mary Coombs [mailto:mary.coombs@coombsmarketing.com]
Sent: Thursday, January 30, 2014 8:55 AM
To: Greg Gregory
Cc: Ralph Norman; Campbell, Chad; Jocelyn.Boyd; baizedg@dhec.sc.gov; Elizabeth.Dieck@dhec.sc.gov; mathishl@dhec.sc.gov; robertck@dhec.sc.gov; WISEPF@dhec.sc.gov; mewka@dhec.sc.gov; harringc@dhec.sc.gov; SBIComm@scsenate.gov; RayeFelder@schouse.gov; Mick.Mulvaney@mail.house.gov; dan.hanlon@mail.house.gov; Philip_Land@lgraham.senate.gov; Veldran, Katherine; TC Water Citizen Advisory Council
Subject: Re: Utilities Inc. / Tega Cay

What would it take to levy fines so high that it would make it reasonable to purchase the water system? The value of a non-working, polluting system is zero. If Utilities, Inc. cannot afford to fix it, then the fines should be such that they have no choice to fix or sell it. This seems like a reasonable solution. I am sure you have thought of this, so what support do you need?

Sincerely,
Mary



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On Thu, Jan 30, 2014 at 8:49 AM, Greg Gregory <rhvolute@hotmail.com> wrote:
Ms. Coombs -

Thank you for copying me on your e mail. I represent part of Tega Cay, along with Sen. Wes Hayes. He and I met with Dukes Scott and his staff a couple of weeks ago

regarding the situation with TCWS. Mr. Scott is well-versed in the matter and has been involved with it for a number of years.

Utilities, Inc. purchased the system from the company that developed Teca Cay and then went bankrupt. According to Mr. Scott, Utilities, Inc. has obtained many of their systems from other entities that were in distress. We all know their history with regard to performance, so there's no need to cut the grass twice there.

The genesis of problems with the Tega Cay system is that the pipes are old and the collection system can't withstand a 10 year rainfall like the one that occurred in December. Certainly it could be managed better, but the ultimate solution is going to require a lot of money - probably \$2 million to \$3 million. That problem is augmented by the fact that the system serves relatively few customers (1,700), so it is difficult to spread the cost w/o it being too burdensome.

Mr. Scott says that Utilities, Inc has invested \$1 million in the Tega Cay system trying to get it into compliance. Of course, we know that has not been successful to this point. So the question is what is the best way to get the system fixed? We think that is to have the local gov't obtain the system b/c they can borrow at low rates the funds needed to upgrade it.

However, Utilities, Inc. owns the system, so the gov't can't just take it from them. They have to agree to sell it at a reasonable price and, so far, the number has not been reasonable. The leverage the gov't has on the company is fines for violations and controlling the rates they are allowed to charge.

As Rep. Norman explained, we are limited in what we can do, but we do have ways to influence a better outcome than the customers of TCWS have received to date. That is where we are focusing our efforts. Hopefully this information is helpful. Please contact me with further questions.

Greg Gregory
SC Senate

From: mary.coombs@coombsmarketing.com

Date: Wed, 29 Jan 2014 16:12:48 -0500

Subject: Re: Would you want to live here?

To: rnorman@warrennormaninc.com

CC: NikkiHaley@gov.sc.gov; cdscott@regstaff.sc.gov; ccampbe@regstaff.sc.gov; Jocelyn.boyd@psc.sc.gov; baizedg@dhec.sc.gov; Elizabeth.Dieck@dhec.sc.gov; mathishl@dhec.sc.gov; robertck@dhec.sc.gov; WISEPF@dhec.sc.gov; mewka@dhec.sc.gov; harringe@dhec.sc.gov; SBIComm@scsenate.gov; rhvolute@hotmail.com; RayeFelder@schouse.gov; Mick.Mulvaney@mail.house.gov; dan.hanlon@mail.house.gov; Philip_Land@lgraham.senate.gov; Anne.Frate@usdoj.gov

Ralph,

Thank you for responding and giving me the background to the situation. How does it happen that our government has no rights to make this better? Water is a public utility isn't it? This is really an untenable situation for all of us. How could we have gotten here is my question? Here meaning being held hostage to a water company? Didn't someone see this could happen? Isn't that why our utilities are or should be regulated? This is horrendous for South Carolina as well as Tega Cay. Please get in front of this issue.

Sincerely,
Mary



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On Wed, Jan 29, 2014 at 3:46 PM, Ralph Norman <rnorman@warrennormaninc.com> wrote:

Mary, thanks for your e mail regarding Utilities Inc. and I agree with everything you stated. The company is a "rogue" company that has run "ram shod" over their customers for as long as I can remember. I know of no resident or customer of Utilities Inc. that is satisfied or content with the service (or lack of service) the company purports to provide. The issue is this;

- a) Utilities Inc. purchased the water/sewer distribution in Tega Cay many years ago (in the 1970's). There are two systems in Tega Cay, one run by the city of Tega Cay (TCUT) and the other portion owned and managed by Utilities Inc. Like any business that purchases a product or ongoing concern, they have the rights to manage, maintain, service, and charge (and get a return on their investment) as owner of the business.
 - b) Utilities Inc. is a utility that is accountable to the Public Service Commission that has a 8 member board of commissioners elected by the General Assembly (one from each of the Congressional districts and one at large). The candidates are screened by the Public Utilities Review Committee (members are appointed from the Senate, House,) They are charged with verifying increases, rates charged for water, sewer, storm water charges, returns on investments and actually have hearings when this occurs.
 - c) The Governor & General Assembly have no oversight , control, ability to sanction, on the Utilities Inc. code of conduct or any other system regulated by the PSC. I know many residents have written the Governor about this situation with Utilities Inc. however even if she wanted to, Governor Haley has absolutely no authority to act or give an executive order to demand accountability.
 - d) The lawyers hired by Utilities Inc. present their case to the Office of Regulatory Staff (another agency that gathers the necessary financial information on the utility) and then ultimately to the PSC.
- Since I represent District #48 of which Tega Cay & River Hills is located in my district, I (and other house & senate members) have attended many of the hearings and testified against Utilities Inc. and along with the many residents presented evidence of the very things you cite in your e mail including lack of service, numerous sewer spills in Lake

Wylie, overcharging of water/sewer, non-service, lack of responsiveness ect. however in most of the cases in the last 7-10 years, Utilities Inc. has been granted increases of some type.

We(George Sheppard, mayor of Tega Cay, Linda Stevenson, & many other residents) have met numerous times with official with DHEC both in Columbia and Rock Hill and they have been very diligent and steadfast in holding Utilities Inc. accountable by the only leverage they have which is levying fines & penalties which has occurred numerous times. Catherine Templeton, the head of DHEC has been very accommodating and has continued to have her staff monitor and apply stringent pressure to attempt to make the company comply. The problem remains though in that they can only do so much to a company that considers fines/penalties a cost of doing business and is able to skirt the law unfortunately.

The only solution that I know is to do one of several things; a) purchase the rights serve Tega Cay from Utilities Inc. (in the past their price has been unaffordable), b) have York County purchase the system (same issue with pricing, c) Have an outside entity install separate utility/ water/sewer/ lines outside of the Right of Way owned by Utilities Inc. and bypass Utilities Inc. all together.

I know that many residents including Mayor Sheppard, Charlie Funderburk, city manager for Tega Cay, and others are working hard to find a solution however there is no easy answer and unfortunately will take time.

I am sorry to be so long winded and wordy however I felt that it was important for you being a new resident to understand the background behind this unfortunate problem. Thanks for your e mail and please contact me should you have any questions, Ralph Norman

From: Mary Coombs [<mailto:mary.coombs@coombsmarketing.com>]

Sent: Wednesday, January 29, 2014 1:33 PM

To: NikkiHaley@gov.sc.gov

Cc: cdscott@regstaff.sc.gov; Campbell, Chad; Jocelyn.boyd@psc.sc.gov; baizedg@dhec.sc.gov; Elizabeth.Dieck@dhec.sc.gov; mathishl@dhec.sc.gov; robertck@dhec.sc.gov; WISEPF@dhec.sc.gov; mewka@dhec.sc.gov; harringc@dhec.sc.gov; SBIComm@scsenate.gov; rhvolute@hotmail.com; Ralph Norman; RayeFelder@schouse.gov; Mick.Mulvaney@mail.house.gov; dan.hanlon@mail.house.gov; Philip_Land@lgraham.senate.gov; Anne.Frate@usdoj.gov

Subject: Would you want to live here?

I have lived in Tega Cay, SC for 8 years now and have moved here from Rochester, NY. In the time we have been here, we have had our water bill increased to almost \$100/month, compared to 30/quarter in NY. For the increase, we have experienced thousands of gallons of waste dumped into our Lake Wylie. Utilities Inc/Tega Cay Water Services have sent countless advisories to boil water, to not swim in the lake. Our neighbors have experience sewage backing up into their basements and houses, multiple water pipe breakages, and overall lack of proper services for the increase.

We get letters from Utilities Inc that the system is being worked on and should not have anymore problems, yet again, we recently have had over 9 spills into the lake. If we cannot get any action to fix this problem once and for all from Utilities Inc., where should we go to elevate this issue and get it fixed? Privatizing our water and ultimately our health, is NOT WORKING! Would you want your family to live in a community like

this? What do you suppose is happening to our property values? You govern this state, why would you tolerate this?

WE NEED HELP TO GET THIS PROBLEM FIXED! Please help us in Tega Cay!

Sincerely,
Mary



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